

# Proposed Wilburton Connections Local Improvement District

## Feasibility Analysis Results



# Tonight's Agenda

- Background
- Feasibility Analysis Results
- Next steps in the LID formation process

# Background

# Mobility and Infrastructure Initiative Projects

Adopted by Council on January 20, 2009

Mobility and Infrastructure Initiative Finance Plan	
<b>Projects</b>	<b>Project Costs</b>
NE 4th	\$51M
NE 6th ext	\$6M
120th	\$14M
NE 15th	\$84M
124th	\$3M
Other Downtown Projects	\$16M
ITS capital improvements	\$2M
Downtown Circulator	\$3M
Ped/Bike/Neighborhood sidewalks	\$15M
Metro Site	\$18M
Bel-Red Land Acquisition	\$32M
Finance Costs*	\$55m
<b>Total</b>	<b>\$299M</b>

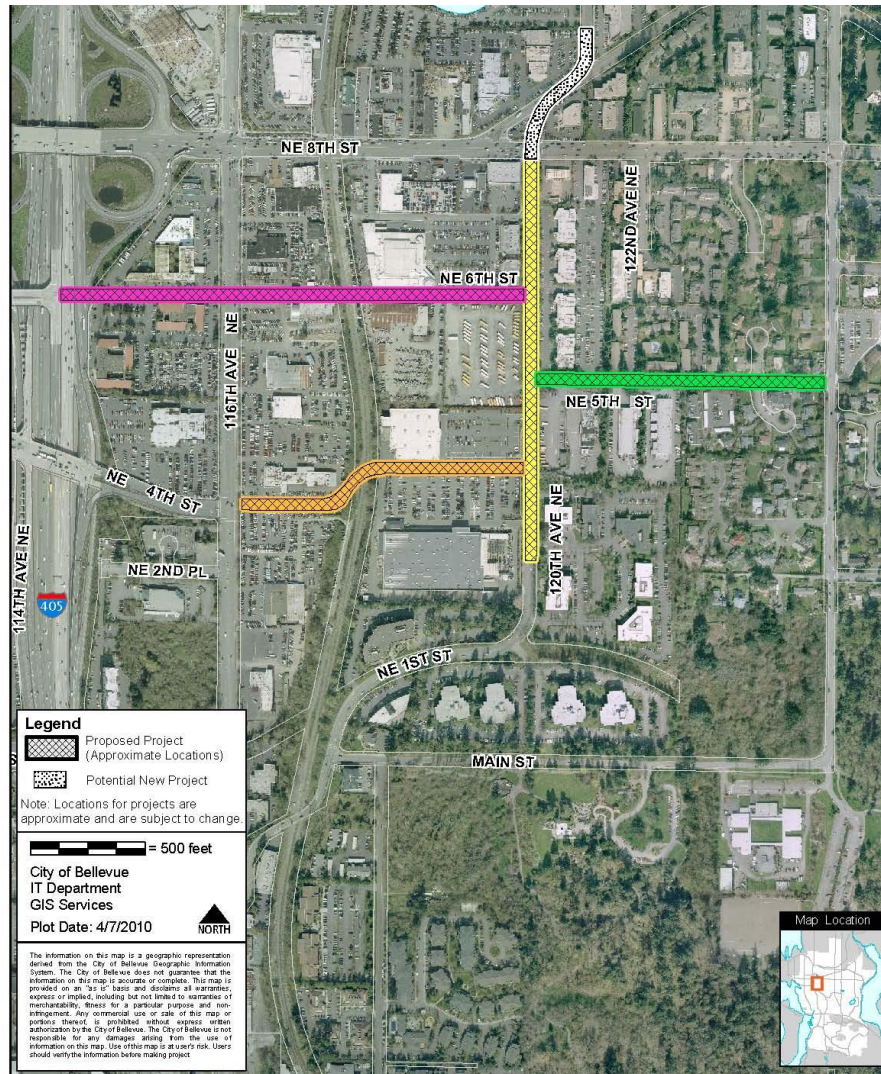
# Mobility and Infrastructure Initiative

## Finance Plan

Adopted by Council on January 20, 2009

REVENUE SOURCES	10-Year REVENUE ESTIMATE
Baseline revenues <ul style="list-style-type: none"><li>• New Bel Red taxes</li><li>• Grants</li><li>• ROW dedication</li><li>• Storm drainage funds</li><li>• Incentive zoning</li></ul>	<ul style="list-style-type: none"><li>\$10M</li><li>\$12M</li><li>\$19M</li><li>\$10M</li><li>\$22M</li></ul>
<b>Local Improvement Districts</b>	<b>\$56M</b>
Impact fees	\$65M
Property Tax	\$105M
Out-Year CIP Funding	\$0M
Total revenue	\$299M
Gap	\$0

# Wilburton Connections Projects



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# Detailed Project Costs for NE 4<sup>th</sup> and 120<sup>th</sup>

Total Project Costs: \$47.5 million

Estimated Funding Gap: \$17.7 million

## 120<sup>th</sup> Avenue NE Segment 1 (NE 4<sup>th</sup> – NE 8<sup>th</sup>)

Phase	Cost (000)	Secured	Unsecured	Gap
Design	\$925	\$900	-	(\$25)
Right-of-Way	5,070	5,100	-	30
Construction	3,100	2,600	-	(500)
<b>Total</b>	<b>\$9,095</b>	<b>\$8,600</b>		<b>(\$495)</b>

## NE 4<sup>th</sup> Street Extension

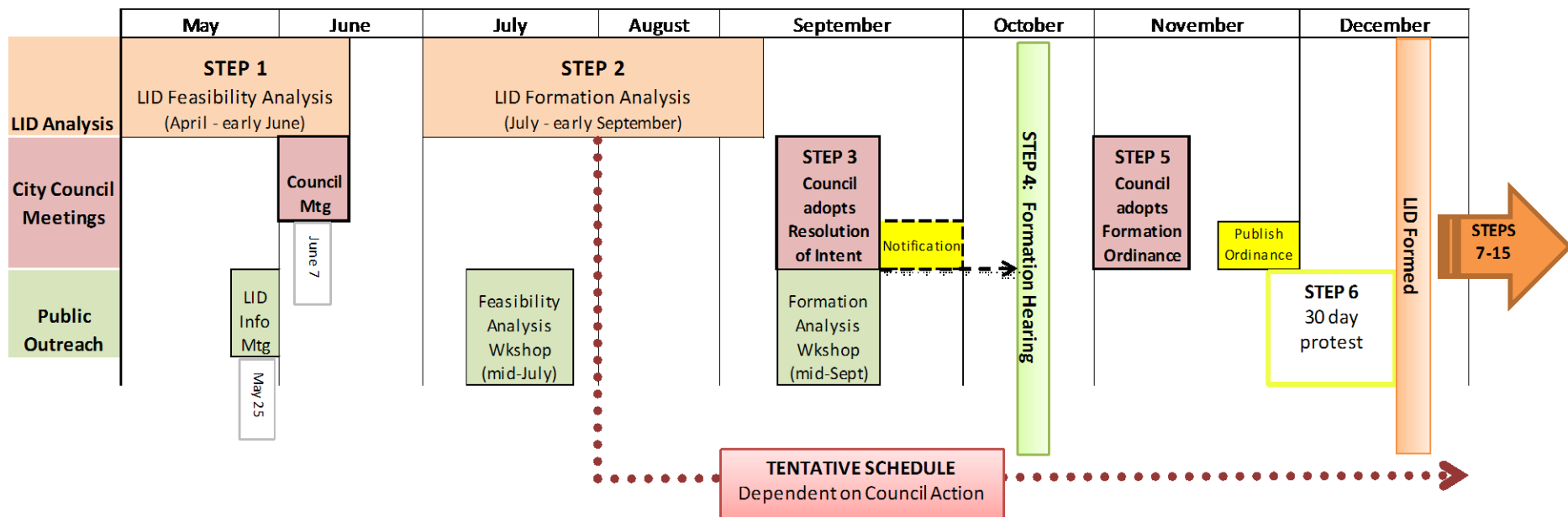
Phase	Cost (000)	Secured	Unsecured	Gap
Design	\$3,600	\$3,600	-	0
Right-of-Way	24,200	7,000	-	(17,200)
Construction	10,600	0	13,600	0
<b>Total</b>	<b>\$38,400</b>	<b>\$10,600</b>		<b>(\$17,200)</b>

# LID Background

- An LID is a method of financing capital improvements that provide a direct special benefit to properties within a defined district.
- LIDs can be created in two ways:
  - in response to property owner petition
  - initiated by Council through a resolution
- Formation process established through state law (RCW 35.43)
- City's procedures detailed in Chapter 15.04 of the Bellevue City Code.



# Proposed 2010 LID Formation Timeline



# Proposed Wilburton Connections LID

- Would fund a percentage of project costs for
  - NE 4<sup>th</sup> Street Extension
  - 120<sup>th</sup> Avenue NE Improvements (NE 4<sup>th</sup>-NE 8<sup>th</sup>)
- On February 2, 2009 Council approved the contract for a two-phased Wilburton Connections LID Feasibility Analysis:
  - Feasibility Analysis (Phase 1)
  - Formation Analysis (Phase 2)

# Macaulay & Associates

- Incorporated in 1969
- Extensive experience preparing LID special benefit and feasibility studies since 1975.
- Examples of large road infrastructure LID's
  - **Lynnwood(\$80 million):** I-5/196<sup>th</sup> Street SW interchange and road improvement project involving Alderwood Mall and surrounding commercial area (300 parcels)
  - **Sumner (\$37 million):** freeway interchange and road widening/extension along SR 167 (350 parcels).
  - **Lacey (\$10.5 million):** Marvin Road/I-5 improvement project (250 parcels).
  - **Tukwila (\$27.5 million):** overpass project providing improved access to Westfield Southcenter Mall and surrounding commercial area.

# Phase 1 Feasibility Analysis

# Feasibility Analysis

- Scope of Work
  - Identify potential LID Boundary
  - Estimate total special benefit range derived from the projects.
- Broad based analysis – not site specific

# Feasibility Analysis

## General versus Special Benefit

- ***General Benefit*** is the benefit provided by a public works project to the community at large.
- ***Special Benefit*** is the measurable impacts the public works project has on the market value of individually affected parcels.
- Special benefit is the market value difference of the property without and with the proposed projects.

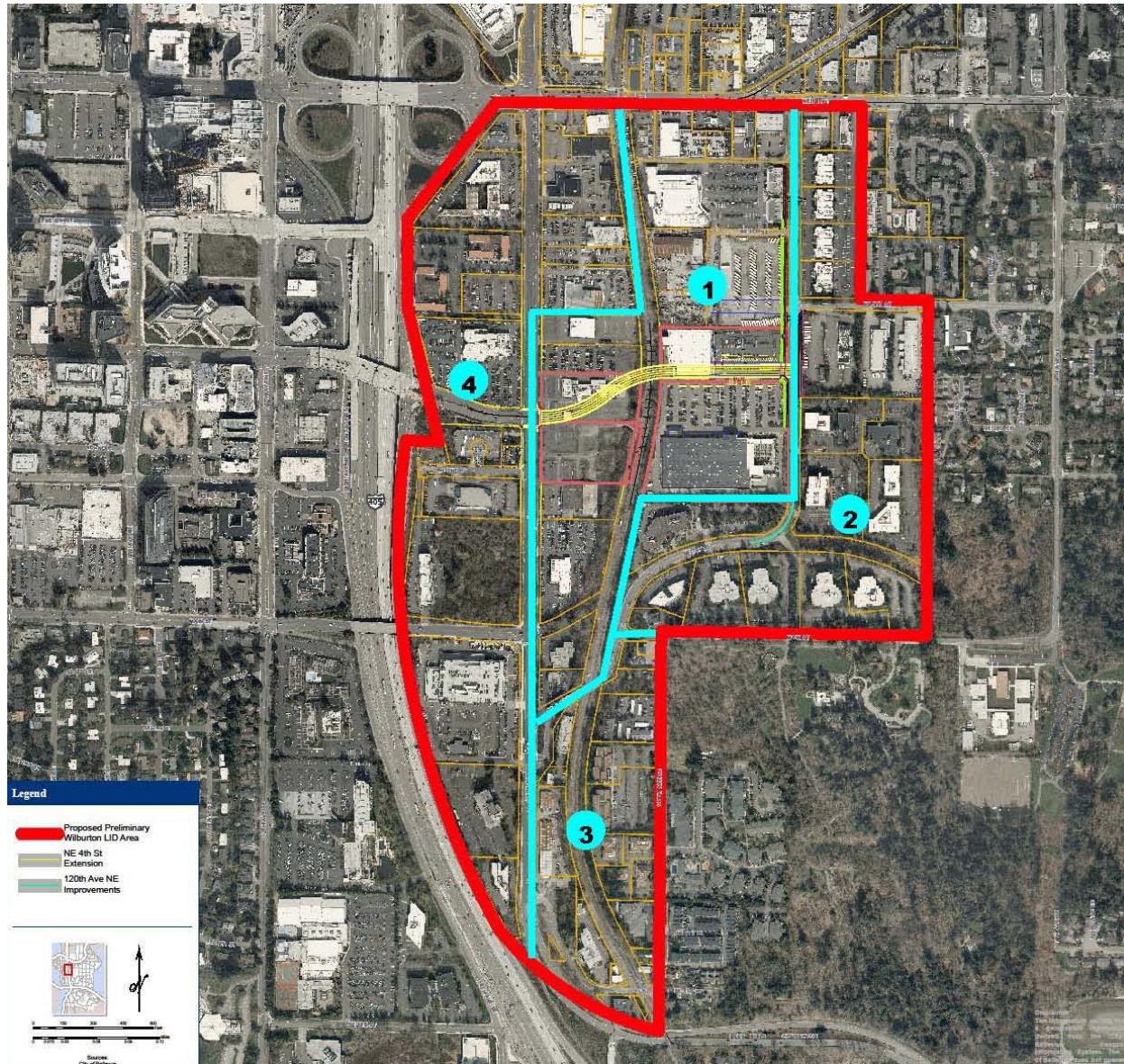
# Feasibility Analysis

## Overall Special Benefit Calculation

- Special benefit is estimated by segregating properties into classifications based on highest and best use and location within the LID boundary.
- Special benefit is typically reflected in the underlying land value based on highest and best use of the property.
- Analysis examines comparable land sales data, income data and improved sales information.



# Preliminary LID Boundary Recommendation





# Overall Special Benefit

**Approximately \$13 to \$18 million**

- Special benefit estimate is a range based on extrapolation in each property classification.
- Approximately 50-60% of special benefit would be assessed to properties located adjacent to or in close proximity of the NE 4<sup>th</sup> and 120<sup>th</sup> projects.
- Up to 100% of Special Benefit can be assessed

Next Steps

# Next Steps

## **July – Sept 2010:**

Conduct Formation Analysis (Phase 2)

## **September 2010 - Return to Council:**

September 13 Council Meeting

- Provide formation analysis results
- Discuss development of resolution of intent

Mid-Sept. - Formation Analysis Outreach

September 20 Council Meeting

- Adopt resolution of intent (sets date for public hearing)

## **October 2010:**

– Public Hearing

## **November 2010 - Return to Council:**

- Update on public hearing
- Discuss Formation Ordinance
- Adopt Formation Ordinance

# Formation Analysis

- Determine the special benefit for each property within the proposed LID.
- Refine the LID boundary.
- Refine total special benefit range for all properties within the LID.

# Questions